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CHAPTER 3 PROGRAM PLANS

3.1 CHAPTER OVERVIEW

This chapter addresses the two policy and planning documents related to the housing choice voucher program that each PHA is required to develop and maintain: the housing choice voucher program administrative plan and the PHA plan.

The PHA must adopt a written administrative plan that establishes local policies for program administration. The plan must conform with HUD regulations and state the PHA's policy in those areas where the PHA has discretion to establish local policy. The plan is a formal document which communicates to all interested parties the policy choices the local agency has made where federal regulations or law does not direct the PHA's actions or decisions. The PHA is responsible to insure that the plan is kept up to date and that staff operate under the policies spelled out in the plan.

The PHA plan is a requirement initiated by the Public Housing Reform Act of 1998. The PHA plan must articulate the PHA's mission statement and spell out the agency's long-term and short-term plans consistent with the mission statement. While the majority of information in the PHA plan relates to operation of the PHA's public housing program, the PHA plan does require information on the housing needs of housing choice voucher program applicants, the resources the local housing choice voucher program brings to meet those needs, and the policies, rules, and standards that govern program participation and management. The PHA will include pertinent portions of the administrative plan in its PHA plan to cover requirements for information on policies, rules and standards. The PHA must include housing choice voucher program and public housing residents, if the PHA operates public housing, in plan development and must reflect residents' input in the final plan.

3.2 HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN

A PHA's administrative plan must describe the policies the PHA has adopted in each area where the PHA has discretion. Voucher program regulations specify the policy areas that must be covered in the administrative plan. From time to time, HUD amends these regulations and adds new administrative plan requirements. The PHA is responsible for updating its administrative plan to include these additional elements as required. The PHA must also revise its plan whenever local circumstances require a policy change.

The Housing Authority Board of Commissioners or other governing body must formally adopt the administrative plan and any revisions. The administrative plan becomes the PHA's "official" policy when it is approved by the Board. HUD must receive a copy of the plan, and may require changes if the policies adopted are inconsistent with program regulation requirements. However, HUD approval of the administrative plan is not required prior to its implementation.

Because changes to the administrative plan require formal approval by the Board of Commissioners or other governing body, including HUD regulations in areas where the PHA has no discretion is not advised. The administrative plan should address only those policies areas in which the PHA has discretion. Program regulations and the PHA's operating procedures for complying with those regulations can be addressed in a separate procedures manual that can be updated more easily.

The PHA's administrative plan must address the following areas:

- *Selection of applicants from the waiting list:* The administrative plan must state how the PHA will select housing choice voucher applicants from the waiting list. It must include any preferences the PHA intends to use, any weights or rankings assigned to those preferences, and the method, such as date and time of application, or a drawing or other random choice technique that will be used to select among applicants. This plan must describe the procedures for opening and closing the waiting list and the circumstances under which applicants will be removed from the waiting list.
- *Issuing or denying vouchers:* The administrative plan must describe the PHA's policies regarding the issuance or denial of vouchers, and its policies governing the extension or suspension of the voucher term. For example, some PHAs routinely provide a voucher term of 180 days for families relocating from public housing. "Suspension" means stopping the clock on the term of the family's voucher after the family submits a request for tenancy approval. The policies must specify the circumstances under which additional time will be allowed and how the PHA will determine the length of any extension or suspension.
- *Denial or termination of assistance:* The administrative plan must also detail any PHA policies for denying or terminating assistance in the areas where the PHA has discretion. Chapter 5 describes the situations in which the PHA may elect to deny assistance. Chapter 15 identifies where the PHA has discretion in terminating assistance.
- *Special provisions for the use of targeted vouchers:* The administrative plan must describe any special rules that will be used in the administration of HUD funding targeted for special purposes or specific categories of applicants. The administrative plan must describe who is qualified and how families will be selected for the targeted vouchers. For example, PHAs with Welfare to Work vouchers must describe the selection criteria and procedures for obtaining the special vouchers. Generally, when HUD awards special voucher funding, HUD will specify whether turnover vouchers supported by the funding must continue to address the special purpose and assist the identified category of families or whether the turnover targeted vouchers may be used for the PHA's regular waiting list. The administrative plan must clearly describe how applicants will be selected when turnover vouchers become available.
- *Occupancy policies:* Each PHA must adopt a definition to describe what groups of persons may qualify as a "family." HUD provides guidelines (see Chapter 5) but each PHA has discretion within those guidelines.

Each PHA must also adopt a definition of when a family is considered to be “continuously assisted” under the 1937 Housing Act. This is important because families with incomes above the very low-income level who would otherwise be ineligible for assistance may be eligible if they have been “continuously assisted” in a low-income federal housing program. The PHA’s administrative plan must define the instances when the family may be considered to be “continuously assisted” despite a break between occupancy in one program and the next. Chapter 5 describes the instances in which a low-income family determined to be continuously assisted based on the PHA’s policy will be eligible to receive a housing choice voucher.

EXAMPLE OF A “CONTINUOUSLY ASSISTED” FAMILY

If a low-income public housing resident who was to be relocated using housing choice voucher program assistance under the housing choice voucher program moves temporarily to a shelter because of domestic abuse, the family could be deemed over-income and therefore ineligible when it was ready to be issued a housing choice voucher. However, the PHA’s policy may include temporary residence in a shelter in its definition of “continuously assisted” and the family would be eligible to receive the voucher despite its income.

- *Encouraging owners outside areas of poverty or minority concentration:* The administrative plan must describe the PHA’s policies and procedures for conducting outreach to owners of units outside areas of poverty and minority concentration. The procedures should describe the process by which the PHA will identify “opportunity” areas with an adequate supply of rental housing affordable to housing choice voucher program participants.
- *Assistance to families that include persons with disabilities:* Efforts families may expect the PHA to make on behalf of families with members who need accessible housing or other reasonable accommodations must be described in the administrative plan. HUD requires that the PHA provide such families with information about accessible units on the market and make reasonable accommodations in adjusting the search time and payment standard. The administrative plan must describe any additional efforts the PHA will make to assist the family in locating appropriate housing.
- *Assistance to be provided to applicants and participants claiming illegal discrimination:* The PHA’s administrative plan must describe its policies for assisting families that claim illegal discrimination has prevented them from leasing a suitable unit. These policies might include elements such as an extension of the family’s search time, or the provision of housing search assistance. At a minimum, the PHA must give the family information on how to complete and file a housing discrimination complaint.
- *Tenant screening:* Although it is the owner’s responsibility to screen potential tenants for previous patterns of behavior that could be detrimental to the owner’s property or other residents, the PHA may opt to screen applicants for family behavior or suitability for

tenancy. If the PHA adopts a policy of conducting applicant screening, the administrative plan must describe precisely what activities the PHA will undertake and how the PHA will use the information.

- *Information to be provided to prospective owners:* The PHA is required to give all prospective owners a family's current and prior addresses and the names and addresses of owners at the family's current and prior addresses. In addition, the PHA has discretion to establish a policy to provide additional information that may be in the PHA's possession. That information might include information about the tenancy history of family members such as their rent paying history, drug trafficking, or criminal activity by family members. The policy must be described clearly in the administrative plan, must be included in the PHA's briefing packet, and must be given to all participating families. The policy must provide that the PHA will give the same types of information to all families and to all owners. (See Chapter 8.)
- *PHA policies denying owner participation in the program:* A property owner does not have a right to participate in the housing choice voucher program. The PHA may adopt a policy of refusing to contract with owners in specific cases as described in Chapter 8.

If the PHA opts to disapprove some owners, it must formally adopt a policy describing when owners may be disapproved and include that policy in the administrative plan. A PHA's owner disapproval policy may apply only at the time a family initially receives a voucher for occupancy of a particular unit. PHAs may not require program participants living in properties owned by such owners to move, but could refuse to enter into new HAP contracts or tenancy addenda for those families if new leases or lease revisions are required.

- *PHA subsidy standards:* The PHA must establish subsidy standards for determining the number of bedrooms needed for families of different sizes and compositions. The administrative plan must describe the standards that will be used, and when exceptions to the PHA's established subsidy standards may be granted. (See Chapter 5.)
- *Length of time a family may be absent from the dwelling unit:* A family may be absent from the unit for brief periods. The PHA's administrative plan establishes how long a family may be absent from the assisted unit before assistance is terminated. The administrative plan must state the method that the PHA uses to determine whether, or when, the family may be absent, and for how long. The PHA may set its policy on the length of absence permitted for any period of time up to the maximum 180 days permitted by HUD. The policy must also establish any provision for readmission or resumption of assistance after an absence. Absence means that no member of the family shown on the lease is residing in the unit.
- *Eligibility in case of a family dissolution:* The PHA has discretion to determine which members of an assisted family continue to receive housing assistance if the family breaks up. The administrative plan must describe these policies. Some factors to be considered in establishing the policy are the interest of minor children or elderly or disabled persons, or the role played by domestic abuse or criminal activity in the break-up of the family, or whether the assistance should remain with family members remaining in the assisted unit.

- *Informal review procedures:* The administrative plan must describe the PHA's procedures for conducting an informal review for applicants (See Chapter 16).
- *Informal hearing procedures:* The administrative plan must describe the PHA's procedures for conducting an informal hearing for participants (See Chapter 16).
- *Procedures for setting and revising payment standards:* The PHA may establish the payment standard amount from 90 to 110 percent of the published FMR for each unit size. The administrative plan must describe the procedures for setting and revising the payment standard amounts. The PHA must also identify any exception payment standard amounts approved by HUD.
- *Method for determining rent reasonableness:* The administrative plan must describe in detail the process that the PHA will use to determine and document that rents charged for units assisted under the housing choice voucher program are reasonable. The plan should describe how the determination will be made at the beginning of the lease, when the rent increases, and if HUD lowers the FMR by five percent, and what steps will be taken if the PHA determines that the rent requested is not reasonable. Chapter 9 describes in detail the requirements the PHA's rent reasonableness policy must satisfy.
- *Policies on the use of special housing types:* The PHA has the option to approve or not approve a variety of special housing types in its housing choice voucher program. These include homeownership, single room occupancy (SRO) housing, congregate housing, shared housing, group homes, cooperative housing, and space rentals for manufactured housing/mobile homes owned by the family. The administrative plan must identify special housing types that are approved for use in the program. (Note that the PHA must allow the use of special housing types if needed as a reasonable accommodation for families that include a person with disabilities.)
- *Policies on payment of monies owed by a family to the PHA:* For families that owe money to the PHA, the administrative plan must state the PHA's policies for determining the amounts to be paid and the payment intervals. The policy should also state what actions, including termination or denial of assistance, may be taken against families who fail to make required payments. If the PHA permits families to sign repayment agreements, the administrative plan must describe the PHA's policy including what steps will be taken if the family fails to live up to its agreement.
- *Interim Reexaminations of income and household composition:* The administrative plan must state under what circumstances, if any, the family must report a change in family income or allowances between annual reexaminations and under what circumstances the PHA will change the tenant rent or TTP as a result of an interim change. Chapter 12 describes the PHA's policy choices and the rules related to interim changes in income, rent, and household composition.

- *Minimum rent:* The administrative plan must state the minimum rent payable by a family, the circumstances under which a family may request a hardship exemption, and the procedures a family must follow to request an exemption.
- *Family moves:* The PHA may prohibit more than one move by a participating family during any 12-month period, by including the policy in the administrative plan.
- *Administrative fee reserves:* The administrative plan must state PHA employees authorized to approve the use of funds in the administrative fee reserve, and the maximum amount that may be charged against the administrative fee reserve without specific approval by the PHA Board of Commissioners or other authorized officials.
- *Guidelines and standards for HQS inspections:* The administrative plan must describe procedural guidelines and performance standards the PHA will use for conducting HQS inspections.

The housing choice voucher program administrative plan is a supporting document to the PHA plan, and must be made available for public review.

3.3 PHA PLAN

The Public Housing Reform Act of 1998 requires PHAs to periodically undertake a comprehensive planning process that addresses all aspects of their operation. The PHA is required to develop a plan for the agency in consultation with its housing choice voucher program participants and its public housing residents, if the PHA administers public housing, and to offer the broader community the opportunity for review and comment. The product of these activities is the PHA plan that is submitted to HUD prior to the beginning of each PHA fiscal year. The PHA plan also includes related planning and policy documents that are made available to the public on an ongoing basis.

The PHA plan consists of two documents:

- A *Five-Year Plan* that describes the mission of the PHA, its long term goals, and quantifiable objectives for achieving the mission, and
- An *Annual Plan* that provides details about the PHA's participants, programs and services, and its strategy for addressing operational concerns, residents' needs, programs, and services for the upcoming fiscal year.

Submission of the PHA Plan

The actual submission to HUD is made electronically, in the form of responses entered into a comprehensive "question and answer" template. The template is available on the HUD website at www.hud.gov/pih/pha/plans/phaps-home.html

The PHA plan is submitted to HUD 75 days before the start of each PHA fiscal year. Prior to submitting the plan to HUD, the PHA must conduct a public hearing to discuss the plan and invite public comment. The PHA must publish a notice of the availability of the plan and the details of the public hearing no later than 45 days before the hearing.

PHAs that have *housing choice voucher programs only*, as well as high-performing PHAs and PHAs that operate 250 or fewer public housing units, may submit a streamlined PHA Annual Plan. The items required in the streamlined PHA plan are listed in the instructions that accompany the PHA plan template.

The Five-Year Plan

The PHAs five year plan states the PHA's mission for serving the needs of low-income, very low-income, and extremely low-income families in the PHA's jurisdiction, and lists the goals and objectives which will be used to measure the agency's success in fulfilling the mission.

The Annual Plan

PHAs administering the housing choice voucher program must provide responses for the following elements of the PHA annual plan. These are the only required elements of the annual plan. Where the information requested is contained in the PHA's administrative plan, the PHA may refer to the administrative plan which must be attached to the annual plan.

- *Statement of housing needs:* The PHA is required to provide data regarding the housing needs of families on the housing choice voucher program waiting list. The PHA is required to identify strategies for addressing these needs.
- *Statement of financial resources:* This is a listing of all of the PHA's resources, including HUD's annual contributions for assistance under the housing choice voucher program. Proposed uses are required for non-categorical funds, unobligated funds from prior years, and income from other federal and non-federal sources.
- *Statement of the PHA's policies that govern eligibility, selection, admissions:* This section of the plan requires the PHA to answer questions describing its policies related to applicant screening, the organization of the housing choice voucher program waiting lists, selection preferences, extensions of search time for housing choice voucher holders, and eligibility for and admission to special-purpose (targeted) programs administered by the PHA.
- *PHA's rent determination policies:* The PHA is required to describe its voucher payment standards and policies, and its policies on minimum rent.
- *Statement of the PHA's operation and management:* In this section, the PHA describes its management structure and lists the HUD programs including housing choice vouchers, certificates, moderate rehabilitation units, and targeted programs administered by the PHA. The PHA is also required to list policy documents, manuals, and handbooks governing the management of the housing choice voucher program.

- *Statement of the PHA's procedures for informal reviews and hearings:* This section requires the PHA to list any informal review and hearing procedures that go beyond federal requirements. The PHA is also required to identify the office that applicants and participants who wish to request applicant reviews or participant hearings should contact.
- *Homeownership programs administered by the PHA:* This section requires the PHA to describe all homeownership programs proposed or administered by the PHA, including, if appropriate, the housing choice voucher program homeownership option. The description of the housing choice voucher program homeownership option must include the PHA's limits, if any, on the number of participants, and the eligibility criteria, if any, that exceeds federal requirements.
- *Statement of the PHA's community services and self-sufficiency programs:* This section of the PHA plan requires the PHA to describe self-sufficiency policies (such as selection preferences for certain public housing families, or preferences for participation in the homeownership option) or programs provided by the PHA, including any offered by the PHA in partnership with other agencies. If the PHA has as an FSS obligation, the required and actual numbers of FSS participants must be reported. If the PHA has not met its minimum program size requirements, the FSS Action Plan must be amended to address the steps that the PHA will take to reach the minimum program size. There is no community service requirement for participants in the housing choice voucher program.
- *Civil rights certification:* The agency must certify that the PHA plan (Five Year and Annual Plan) furthers fair housing and conforms with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990. The PHA must also certify that it will affirmatively advance fair housing opportunity. Generally, a PHA will be in compliance with the certification if it has examined its programs, identified any impediments to fair housing choice, addressed those impediments in a reasonable fashion, worked with local jurisdictions to implement other local initiatives, and maintained records reflecting these actions.
- *Results of the PHA's annual audit:* In this section, the agency is required to answer questions regarding the annual audit, and to explain any unresolved findings for the most recent fiscal year audit.

Resident Advisory Board

PHAs, including PHAs that operate only the housing choice voucher program, must establish one or more resident advisory boards to participate in the development of the PHA plan. The resident advisory board, whether newly formed or previously existing, must assist the PHA in the development of the PHA plan and make recommendations in the development of the plan. The PHA must consider the comments and recommendations of the resident advisory board in preparing the final PHA annual plan.

If the PHA has a housing choice voucher program, the PHA must ensure that the resident advisory board has a reasonable representation of families receiving assistance under the housing choice voucher program, and that a reasonable process is undertaken to choose this representation. Where resident councils do not exist that would adequately reflect and represent the residents assisted by the PHA, the PHA may appoint additional resident advisory boards or board members. The PHA must provide reasonable notice to residents and urge that they form resident councils that comply with the tenant participation regulations.

3.4 RELATED SEMAP INDICATORS

Three SEMAP indicators measure the adequacy of the policies in the PHA's administrative plan and the PHA's performance in implementing those policies as written. These include:

- *Selection from waiting list:* All PHAs must have written policies for selecting applicants, and must follow these policies when taking applicants from the waiting list. The policies must be included in the administrative plan, and must be referenced in the PHA plan.
- *Reasonable rent:* PHAs must have and follow "reasonable written methods" for determining and documenting that rents for units assisted under the housing choice voucher program are reasonable. The procedures must provide for evaluations of rent reasonableness when units are leased, when owners request an increase in rents, and when the published FMR is decreased by more than five percent. These procedures must be made part of the administrative plan.
- *Expanding housing opportunities:* PHAs are required to adopt and implement policies encouraging participation by owners of units located outside areas of poverty and/or minority concentration. These policies must also be included in the administrative plan.